

Message Text

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PAGE 01 STATE 077137
ORIGIN EB-08

INFO OCT-01 ISO-00 STR-07 AF-10 ARA-10 EA-10 EUR-12
NEA-10 SIG-03 MMO-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01 DOE-15
/152 R

DRAFTED BY EB/OT/GCP:CMAST

APPROVED BY EB/OT:SAHMAD

STR:DCOOPER (SUBS)

ARA/ECP:WBURSON (INFO)

EUR/RPE:PMCLEAN (INFO)

EA/EP:MHENDERSON(INFO)

AF/EPS:DMCLELLAN (INFO)

NEA/RA:DMORRISON (INFO)

-----129345 251119Z /14

R 242237Z MAR 78

FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS

XMT AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY DOHA

AMEMBASSY TEHRAN

AMEMBASSY ABU DHABI

AMEMBASSY TRIPOLI

AMEMBASSY ALGIERS

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E.O. 11652:N/A

TAGS:ETRD

SUBJECT: DEVELOPING COUNTRIES IN THE MULTILATERAL TRADE

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NEGOTIATIONS

1. THE DEPARTMENT HAS NOTED IN SEVERAL CABLES FROM POSTS
THAT VARIOUS LDCS SEEM TO BE CONFUSING TRADE BENEFITS THEY
CAN OBTAIN THROUGH GSP AND LONGER-TERM TRADE BENEFITS
AVAILABLE THROUGH THE MTN. MANY LDCS ALSO APPEAR TO BE
OPERATING ON THE ASSUMPTION THAT GSP BENEFITS AND/OR

"EROSION" OF GSP TRADE MARGINS ARE LEGITIMATE BARGAINING POINTS IN THE MTN. FOR FUTURE GUIDANCE AND REFERENCE FOR POSTS WE ARE SETTING OUT BELOW USG VIEWS ON GSP AND THE MTN, WHICH POSTS CAN USE WITH HOST COUNTRY OFFICIALS AS APPROPRIATE OCCASIONS ARISE.

2. GSP IS A UNILATERAL GRANT WHICH PROVIDES FOR UNBOUND, TEMPORARY TRADE PREFERENCES TO BENEFICIARY DEVELOPING COUNTRIES. WE, THEREFORE, BELIEVE IT SHOULD NOT BE SUBJECT TO BILATERAL OR PLURILATERAL NEGOTIATION EITHER WITHIN OR OUTSIDE THE MTN. THE US HAS COMPLETELY SEPARATE PROCEDURES FOR ADDING PRODUCTS TO THE GSP LIST. WHILE WE BELIEVE THAT OUR GSP PROGRAM IS CONTRIBUTING SIGNIFICANTLY TO THE DEVELOPMENT AND DIVERSIFICATION OF A STRONG EXPORT EARNINGS CAPABILITY IN BENEFICIARY COUNTRIES, GSP TREATMENT BECAUSE OF ITS TEMPORARY, UNBOUND AND UNILATERAL NATURE IS INFERIOR TO BOUND MFN DUTY REDUCTIONS AS A TRADE-CREATING DEVICE AND AS AN INCENTIVE TO INVESTMENT IN NEW EXPORT PRODUCTION. VANCE

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, NEGOTIATIONS, TRADE CONCESSIONS, GENERALIZED PREFERENCES (TARIFFS)
Control Number: n/a
Copy: SINGLE
Draft Date: 24 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE077137
Document Source: CORE
Document Unique ID: 00
Drafter: CMAST
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780132-0091
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780326/aaaaavxd.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e7b7adbd-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3206677
Secure: OPEN
Status: NATIVE
Subject: DEVELOPING COUNTRIES IN THE MULTILATERAL TRADE LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: ETRD, US, XX, MTN
To: ALL POSTS JIDDA MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e7b7adbd-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
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